

## Message Text

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PAGE 01 CAIRO 12446 091302Z  
ACTION NEA-11

INFO OCT-01 ISO-00 SS-15 SP-02 EB-08 INR-10 NSC-05  
CIAE-00 AID-05 TRSE-00 COME-00 OMB-01 /058 W  
-----050355 091334Z /75

R 091253Z MAY 78  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 8878  
INFO AMCONSUL ALEXANDRIA  
AMEMBASSY JIDDA

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E.O. 11652: N/A  
TAGS: BEXP, ETEL, EG  
SUBJ: EGYPTIAN TELECOMMUNICATIONS PROJECT

REF: (A) CAIRO 10492,(B) STATE 111110, (C) STATE 115363

1. CONTINENTAL TELEPHONE CHAIRMAN CHARLES WOHLSTETTER CALLED ON AMBASSADOR MAY 5 FOR DISCUSSION OF FIRM'S PLANS FOR PARTICIPATION IN REHABILITATION OF EGYPTIAN TELECOM- . MUNICATIONS SYSTEM, NOW THAT TELECOMMUNICATIONS STUDY UNDERTAKEN BY CONTINENTAL UNDER AID-FINANCED CONTRACT HAS BEEN COMPLETED. WOHLSTETTER GAVE DETAILS OF PLAN ALONG LINES REPORTED REF C. HE NOTED THAT CONTINENTAL INTENDED JOIN WITH AT&T AND GTE TO PRESENT PROPOSALS TO GOE FOR IMPLEMENTING STUDY RECOMMENDATIONS.

2. WOHLSTETTER INDICATED, AS NOTED REF C, THAT FIVE-YEAR FIRST PHASE OF PROGRAM WOULD COST APPROXIMATELY 3 BILLION DOLLARS AND SAID HE EXPECTED SECURE FINANCING FROM INTER- NATIONAL BANKING COMMUNITY, LOANS TO EGYPT FROM OTHER ARAB STATES, AND USG SOURCES SUCH AS AID AND EX-IM BANK. WOHLSTETTER REFERRED TO POSSIBILITY OF OBTAINING SAUDI GUARANTEE OF REPAYMENT FOR LOANS TO BE MADE TO EGYPT BY  
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COMMERCIAL BANKS, AND RECOGNIZED IMPORTANCE OF SUCH GUARANTEE IN SECURING EX-IM BANK FUNDS AS WELL. (HE DID NOT ADVERT TO QUESTION RAISED PARA 4 REF C, THAT SAUDI GUARANTEE MIGHT BE FORTHCOMING ONLY FOR NON-OFFICIAL FINANCING.)

3. WOHLSTETTER WAS ENTHUSIASTIC ABOUT VALUE OF UP-TO-DATE

TELECOMMUNICATIONS SYSTEM, WHICH HE SAW AS ABSOLUTELY VITAL TO DEVELOPMENT OF EGYPTIAN ECONOMY. HE ALSO EMPHASIZED POSITIVE IMPACT ON U.S. BALANCE OF PAYMENTS WHICH SUCCESS IN OBTAINING CONTRACT OF THIS MAGNITUDE WOULD HAVE. U.S. GROUP, WOHLSTETTER FURTHER NOTED, WAS PARTICULARLY WELL-PLACED TO SUCCEED IN MAJOR TELECOMMUNICATIONS EFFORT OF THIS SORT, BECAUSE ALL THREE FIRMS INVOLVED WERE OPERATING COMPANIES, NOT MERE EQUIPMENT MANUFACTURERS.

4. AMBASSADOR EXPRESSED APPRECIATION FOR CALL BY WOHLSTETTER AND INDICATED HIS UNDERSTANDING OF IMPORTANCE OF PROPOSED PROJECT BOTH IN TERMS OF EGYPTIAN DEVELOPMENTAL EFFORT AND IN TERMS OF POTENTIAL FOR EXPORT OF U.S. GOODS AND SERVICES THAT WOULD BE ASSOCIATED WITH IT. AMBASSADOR EXPRESSED READINESS OF EMBASSY TO ASSIST AMERICAN GROUP IN ANY APPROPRIATE WAY. AT SAME TIME, AMBASSADOR NOTED THAT EGYPT HAD ENORMOUS REQUIREMENTS FOR FUNDAMENTAL INVESTMENT IN INFRASTRUCTURE. IMPROVED WATER, SEWAGE, AND ELECTRICAL FACILITIES, FOR EXAMPLE, WERE URGENTLY NEEDED. DESPITE OBVIOUS IMPORTANCE OF TELECOMMUNICATIONS, EGYPT WOULD FACE MAJOR QUESTION OF RESOURCE ALLOCATION IN MAKING DECISION ABOUT UNDERTAKING PROJECT OF THIS MAGNITUDE.

5. COMMENTS ON RELATION OF WOHLSTETTER PROPOSAL TO LIMITED OFFICIAL USE

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EXISTING AID PROGRAM FOLLOW SEPTTEL. EILTS

DISSMINATION COORDINATED WITH SS/O PER MR.SUMMERS.

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TELECOMMUNICATION, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978CAIRO12446  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780196-0350  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 CAIRO 10492, 78 STATE 111110, 78 STATE 115363  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
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**SAS ID:** 2755695  
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**TAGS:** BEXP, ETEL, EG, CONTINENTAL TELEPHONE CORP  
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**Type:** TE  
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**Review Markings:**  
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